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NSC BRIEFING

19 September 1956

~~YUGOSLAVIA~~

I. CIA has some information regarding the questions raised in the amended Mutual Security Act of 1956 regarding Yugoslavia's present international orientation. These questions can be summarized as follows:

- A. Do the Yugoslavs still stand internationally where they have stood in the past?
- B. Are the Yugoslavs independent of Soviet control?
- C. Are the Yugoslavs working with the Communist Bloc for the "conquest of the world"?

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II. With regard to the first question, the answer is "yes" with some qualifications. The Tito regime still stands where it has stood in the past--balanced between the East and West. But it has moved somewhat nearer the East in the last year.

A. In the past few months, the Yugoslav government has signed a good many new agreements with the Soviet Union and its satellites

B. The most important of these was the joint governmental statement Tito signed in Moscow this June.

1. This formally recognized the many points on which the two countries' foreign policies agree.

2. It also called for even closer relations between the two countries, particularly in the economic sphere

C. Tito has also signed other conventions with the USSR, such as one on 22 June called an "information convention" which appears to regulate propaganda interchange between the two nations.

III. Furthermore, there is no doubt that Yugoslavia's public international position has increasingly tended to be on the side of the USSR during the last two years.

A. However, it should be noted that Tito's line is also consistent with his own basic viewpoint, and does not appear to agree with the Soviets just for the sake of agreeing. Tito is, after all, anti-capitalist and anti-colonialist, and the head of a "have-not" small state.

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B. For example, Tito's position on Germany is very close to Moscow's and this June he formally recognized the existence of "two sovereign states" in Germany.

1. He has still refrained, however, from ~~giving formal~~ ^{GRANTING} diplomatic recognition to the East German regime.
2. His motive is almost certainly the self-interested realization that such action would at the least cost him the large credit the West German government negotiated with him (as a settlement of World War II claims).

C. As another example, Tito has closely sided with Egypt on Suez. This, too, is consistent with his anti-capitalist and anti-colonialist position.

to the second question--Tito's independence from Moscow--the answer is firmly "yes", although there are qualifications here for the future. The Yugoslavs today are independent of Soviet control. In the past year, however, there has been a marked Yugoslav trend toward expanded trade and credit relations with the East. These relations could eventually leave Tito's regime dangerously dependent on the USSR for its economic well-being.

A. In only two years, Yugoslavia's scheduled trade with the Bloc has built up from zero to about one-third of the nation's total. This is about the same as the level before World War II and half what it was in 1947 (the last full year before Tito's break with Moscow).

3 Tito now has three times as much credit (nearly half a billion dollars) available from the Bloc as he has from the West. The most recent of these credits--\$175 million jointly from the USSR and East Germany on 3 August for Yugoslavia's aluminum industry--was accepted shortly after Tito had entered detailed negotiations with the West for these very same projects.

4 This brings us to the third question--Tito's role in the Communist campaign for conquest of the world. In this field, Tito at present appears actually to be attempting to modify the nature of the world Communist movement and to lessen Moscow's dominance of it.

A. During his June 1956 visit to the USSR, Tito formalized the

resumption of Yugoslav-Soviet party relations. In a joint party communique with Khrushchev, the two agreed to a "free and comradely exchange of experiences" in order to "co-operate in the interests of the further consolidation and progress of our socialist countries".

1. However, the communique stated, because "roads and conditions of socialist developments are different in different countries the two parties declared as "alien"... "any tendency of imposing one's own views in determining roads and forms of socialist development."

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- B. This document superficially constitutes a Magna Carta of "independence" for various national Communist parties and the future will probably see many attempts to spell out its real meaning.
1. The Yugoslavs will try to press the issue of "equality".
 2. The Soviet leaders, in turn, will be hesitant to let the satellite regimes follow this course.
- C. When the phrase "different roads to socialism" is used by the Yugoslavs, they mean that each country must be permitted to go its own way to socialism. To the Yugoslavs, this means that the Western countries may take the road of evolutionary and parliamentary methods, in contrast to the revolutionary methods needed in such backward nations as Yugoslavia itself.

When the Soviet leaders mention these "different roads" however, they probably only refer to the several different ways by which a Communist party may usurp power. In any event, they believe that the resulting Communist regime should be a normal member of the "Socialist camp" with Moscow as its leader.

Since this June communique, a number of things have happened in Yugoslavia's relations with the Bloc.

Yugoslav party ties have been established with three of the satellites--Poland, Czechoslovakia and Rumania--as well as with ^{TITO'S} ~~the~~ former Western archenemy, Togliatti, in Italy.

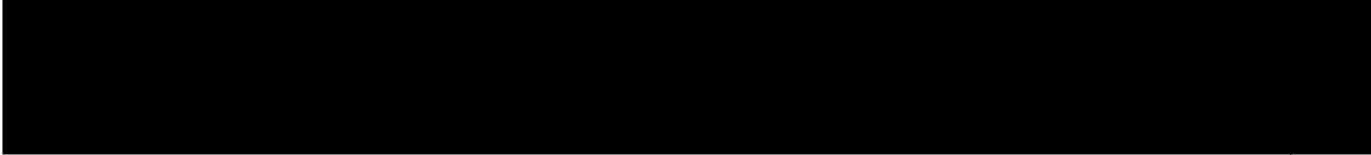
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- B. The USSR issued various party statements emphasizing international proletarian unity, not its diversity. One article even attacked "national communism"--the very words that had formerly been used to defame Titoism.
- C. The Yugoslavs, in contrast, stepped up their pressures on the Satellites for the development of more independent and less doctrinaire policies.
- VII. In the last two weeks, this disagreement has seemed to broaden into something approaching conflict.
- A. For one thing, the Yugoslavs and the Soviets seem to be conducting an indirect press duel over Yugoslavia's trials of so-called "reformist traitors".

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- 10 -

1. These are the trials of Yugoslavs who sided with the USSR after the 1948 break.
 2. The trials of these people have been going on for more than a year, without publicity until the end of July.
 - B. At that time, the Yugoslavs decided to publicize these trials.
 - C. A month later, Pravda implied that the trials ^{WERE} ~~was~~ against the spirit of renewed Yugoslav-Soviet friendship.
 - D. The Yugoslavs, in turn, have taken offense ^{AT THIS SOVIET "INTERFERENCE"}
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- A. [REDACTED] the Soviet Communist party sent a letter to the various Satellite parties on 3 September, warning them against Tito's influence and against imitating him or being too friendly with him.
- B. It is possible that this report is a plant by the Yugoslavs, themselves, to emphasize to the West that Yugoslavia is not being "taken in" by the USSR.
- C. However, events in the Satellites in recent months make it likely that the report has some basis in fact.

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1. The Soviet leaders have appeared worried about the rate at which some of the satellites--particularly Poland--appear to be developing trends towards "national communism". They would be inclined to blame Tito for being partially responsible for such trends. Hence, a warning from Moscow appears likely.
2. This may also explain Khrushchev's "vacation" in Yugoslavia which starts this Wednesday. Ostensibly a "rest" trip, it is obvious that the visit will include serious discussions with Tito.
3. A logical topic would be the question of the development of the satellites. It is possible that Khrushchev is looking to get Tito to "take the heat off", while Tito is in the area.

to get firm Soviet promises on the timing and degree of the relaxation of control over the Satellites.

Even while playing this intimate role in Bloc affairs, Tite still wants to retain his freedom of action, and continues to ask for Western economic aid. He probably considers that at least the possibility of getting such aid serves as a "lever" in his bargaining with the USSR.

A. Throughout this summer, the Yugoslavs have requested US wheat to tide them over emergency shortages.

1. Not being able to get US surplus wheat immediately, they took Soviet wheat instead.

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2. The Yugoslav government, however, still wants a million tons of American surplus wheat a year for the next five years.
- B. In addition, Yugoslavia still wants some industrial financing from the West. The Yugoslavs claim that Bloc financing only takes care of one-third of their plans for aluminum and power and that they want the West to finance the rest.

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